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Communist China: Peking apparently is running into opposition in its program to subordinate local administrative bodies to newly formed party committees.

Although the regime has made it explicit for some time that all governing bodies must be resubordinated to party control, problems have cropped up in working out the relationship between rebuilt party organs and local revolutionary committees--the governing bodies formed during the Cultural Revolution in all units below the national level. In one of the strongest statements to date on these problems, a recent Shanghai broadcast railed at those who are still insisting that revolutionary and party committees should be on an equal footing and are still fighting for power with the party.

Most of the resistance to local party leadership appears to come from former Red Guard factionalists who have gained positions on the revolutionary committees but have been shunted aside in the party-building process. Since the ninth congress, these elements have been frustrated in many localities by Peking's insistence on reinstating veteran party cadres whose expertise is badly needed in post-Cultural Revolution reconstruction. The political insecurity of the former Red Guards has been heightened in recent months by Peking's increasingly strong support for former party officials and rejection of the claims of the newcomers to a broader share of political power.

Despite the somewhat quickened tempo of party building in China this winter, it now appears that the mere formation of party committees is no guarantee that they will be readily able to assert their authority.

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Communist China: Peking is expanding both imports and production of trucks to meet the needs of increased construction activity.

The Chinese have concluded a \$60-million contract with the French firm Berliet for 3,000 four- and sixteen cross-country trucks for delivery in 1970 and 1971. This deal, along with earlier agreements with Berliet as well as with Japanese, Romanian, and other truck manufacturers, will boost truck imports to at least 10,000 this year. This is double the number imported in each of the previous three years. The trucks are largely specialized types not produced domestically on a large scale.

Last year China produced an estimated 55,000 to 65,000 trucks, an all-time high. The expansion of truck production reflects the increased importance of road transport in current economic and military programs.

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Guatemala: Colonel Arana and his rightist coalition are pressing for quick congressional ratification of the election results.

A split in the governing Revolutionary Party (PR) over the succession issue has raised concern in the Arana camp. Although Arana won a strong plurality in the vote on 1 March, the legislature has the right to choose between the two top vote-getters in the presidential race. President Mendez and runner-up PR candidate Mario Fuentes are pledged to accept Arana as president-elect, but the party secretary-general and some other party leaders want the PR-dominated incumbent congress to select Fuentes.

Arana reportedly is confident that he can muster the necessary 28 votes in the current congress to assure his election.

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Challenging Arana's victory would almost certainly provoke political violence. Rightist leaders have told the US ambassador that they believe some PR elements might attempt a coup and that all their forces are on the alert.

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El Salvador - Honduras: The Salvadorans are again charging Honduras with aggression as a result of an armed clash on Wednesday.

The Salvadoran Government reports that two Salvadorans and five Hondurans were killed and an undisclosed number were wounded. Similar incidents have occurred sporadically since last summer's five-day conflict, but in terms of casualties this is the most serious encounter since July.

Although the incidents are more the result of patrolling along the undefined border than of deliberate aggressive intent, both sides are able to extract political advantage from continued border tension. Salvadoran legislative and municipal elections are scheduled for Sunday. The government has tried to capitalize on its "victory" over Honduras during the campaign and may see this latest incident as another such opportunity.

Both governments have agreed in principle to the establishment of a demilitarized zone, and the Hondurans are currently studying the latest OAS proposals. Until such a zone is established, however, further incidents are likely, and the resumption of bilateral talks to normalize relations will be difficult.

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Uruguay: The executive-legislative battle has flared anew with President Pacheco's rejection yesterday of a congressional order lifting the emergency powers that have been in effect since last June.

The feud, which raged last year and nearly provoked Pacheco into closing Congress, was rekindled last month when the President used his emergency powers to take over the traditionally autonomous secondary and vocational schools. Uruguay's public educational system has been steadily deteriorating, and leftist and Communist-dominated student and teacher organizations have actively opposed the government. Pacheco's move, however, does not have widespread public support and has been criticized by normally progovernment groups.

When Congress reconvenes on 15 March, the legislators are likely to try to reduce the President's authority.

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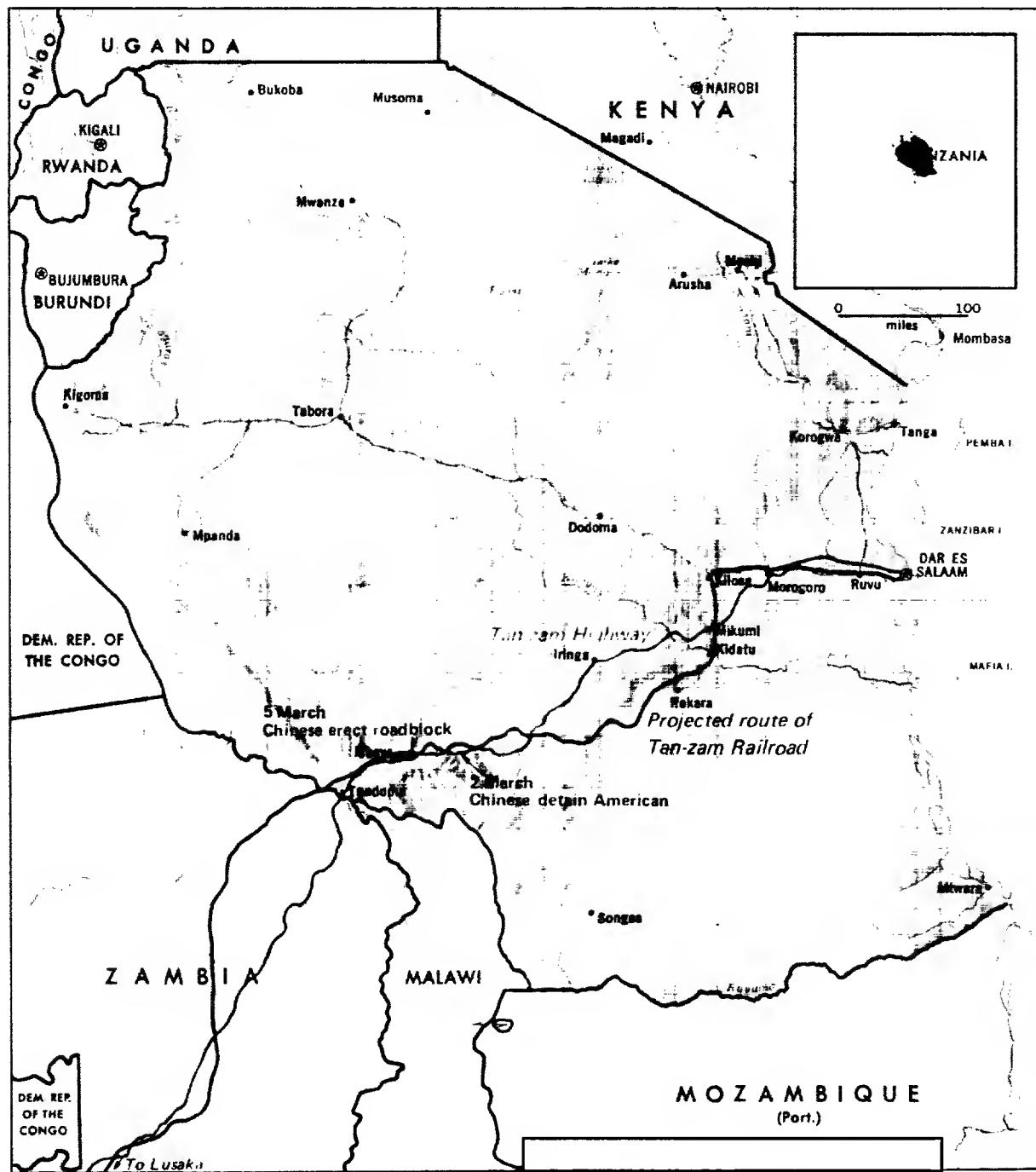
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US-Chicom Incidents in Tanzania



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Tanzania: The Nyerere government is investigating recent clashes between Chinese and US personnel.

The first incident occurred on 2 March when a US construction crew working on the Tan-Zam highway began clearing a construction site on which Chinese engineers had already driven survey stakes for the Tan-Zam railroad. About 50 Chinese appeared, demanded a halt, and seized one American who they claimed had attempted to run over a Chinese with a bulldozer. Although local Tanzanian police officials were summoned, the Chinese held the American captive for seven hours.

This was followed by another incident yesterday on a different section of the highway project. In this case, the Chinese threw up a roadblock near the town of Mbeya and refused to let US construction workers through. The US project manager has ordered all work on the highway stopped. The US ambassador has protested the first incident, and President Nyerere has sent one of his ministers to investigate.

The contretemps between American and Chinese construction teams may hurt the image of both parties in Tanzanian eyes. The Tanzanians themselves must realize that they are partially to blame for not clearly delineating the highway and railroad routes.

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Romania: Bucharest once again has put on public record its resistance to holding Warsaw Pact military maneuvers on its soil. Using the Geneva disarmament conference as a forum, the Romanian delegate has called for a world treaty that would ban such maneuvers. According to press reports, the eight-point proposal, incorporating standard Romanian defense positions, would also outlaw intervention in the internal affairs of other states, ban military bases on foreign territory and create nuclear-free zones in the Balkans and elsewhere in the world. The treaty proposal appears to be a tactic designed to embarrass Moscow on the issue of combined military exercises. The Romanians have said privately that there will be no Warsaw Pact maneuvers involving troops in Romania this year, but a combined command and staff exercise is reported to be a possibility.

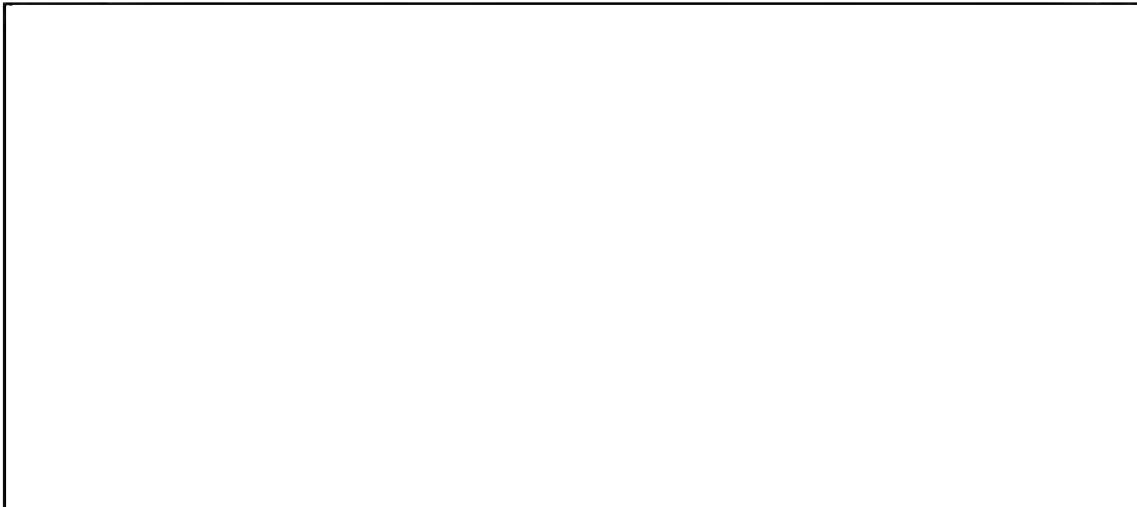
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Trinidad-Tobago - Cuba: Trinidadian Prime Minister Williams is planning to visit Argentina to follow up his recent initiatives calling for reintegration of Cuba into the hemisphere. This visit might be part of a larger South American tour.



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Argentina, like most Latin American countries, is opposed to lifting the restrictions against Cuba at this time. Williams believes the continued exclusion of Cuba is not realistic. He is also probably motivated by his self-bestowed role as leader of the English-speaking Caribbean nations.

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NATIONAL INTELLIGENCE ESTIMATE

The United States Intelligence Board on 5 March 1970 approved the following national intelligence estimate:

NIE 11-6-70 "Soviet Policies in the Middle East and Mediterranean Area"

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